

November 24, 2021

(Via Email and UPS Delivery)
Mr. Robert Burrough
Director, Eastern Region,
Office of Pipeline Safety
PHMSA
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
Robert.burrough@dot.gov

RE: CPF No. 1-2021-057-NOPV

Dear Mr. Burrough:

National Fuel Gas Supply Corporation ("National Fuel") is in receipt of and has reviewed the Notice of Probable Violation ("NOPV") and Proposed Compliance Order, dated October 7, 2021, CPF No. 1-2021-057-NOPV. Between March 23, 2020 and May 27, 2021, PHMSA and NYS Department of Public Service ("NY DPS") representatives inspected National Fuel's procedures, records, and facilities in both New York and Pennsylvania. The resulting NOPV and Proposed Compliance Order alleges that National Fuel committed probable violations of 49 CFR § 192.167(a)(4) Compressor stations: Emergency shutdown ("Item 1") and 49 CFR § 192.745(a) Valve maintenance: Transmission lines ("Item 2"). PHMSA has proposed to issue a Compliance Order for Item 1 and has issued a Warning for Item 2. On November 3, 2021, PHMSA extended the response deadline to December 3, 2021.

National Fuel does not contest the Proposed Compliance Order and has taken proactive steps to ensure compliance and commitment to safety but provides some additional detail for the public record. Below please find National Fuel's response and its ongoing commitment to safety.

PHMSA Finding: Proposed Compliance Order

- 1. § 192.167 Compressor stations: Emergency shutdown.
- (a) Except for unattended field compressor stations of 1,000 horsepower (746 kilowatts) or less, each compressor station must have an emergency shutdown system that meets the following:
 - 4. It must be operable from at least two locations, each of which is:
 - (i) Outside the gas area of the station;
 - (ii) Near the exit gates, if the station is fenced, or near emergency exits, if not fenced; and
 - (iii)Not more than 500 feet (153 meters) from the limits of the station.

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PHMSA alleges that National Fuel failed to install an emergency shutdown system for an attended compressor station that is operable from at least two locations outside the gas area of the station, near the exit gates of the fenced station, and not more than 500 feet from the limits of the station in violation of § 192.167(a)(4). Specifically, NY DPS inspected National Fuel's Porterville Compressor Station ("Porterville CS") on November 10, 2020 and December 8, 2020 and noted that the compressor station is permanent, attended, 400 horsepower ("HP"), and has emergency shutdown devices ("ESDs") to trigger the emergency shutdown system operable from two locations immediately outside the two exits of the compressor station building (approximately ten feet from the station) and one in an adjacent building on-site. The inspectors also noted that although the compressor station was fenced, no active ESDs were located near the fence exit gates.

Operator Response to Proposed Compliance Order

During the course of the inspections by NY DPS, National Fuel provided information to NY DPS inspectors in response to inquiries related to Porterville CS and the application of § 192.167(a). Specifically, in November 2020, National Fuel explained to NY DPS its good faith belief that Porterville CS qualified as an unattended field compressor station with less than 1,000 HP under the exception in § 192.167(a). Porterville CS starts, operates, and stops remotely, not requiring any manual operation. Moreover, Porterville CS (as well as the entire complex) is not manned 24 hours per day, 7 days per week. Notably, National Fuel's Porterville complex is comprised of numerous other facilities, unrelated to compression, that are all housed on the same complex within one larger fence line.

Ultimately, the Proposed Compliance Order indicates that PHMSA agrees with NY DPS that Porterville CS does not qualify under the exception in subsection (a). Therefore, the alleged finding asserts a probable violation of § 192.167(a)(4). At the time of the NY DPS inspections at Porterville CS, there were two ESD push buttons at the compressor building points of egress and one additional ESD push button inside the nearby control building. Furthermore, although not required, National Fuel ensured additional safety controls were in place by having remote ESD capabilities from National Fuel's continuously manned Gas Control Operations Center and fail-safe wired and controlled fire and gas detectors to ESD.

Following the inspections and on-site discussion and concurrent with follow up communications, and in order to signify its ongoing commitment to compliance and pipeline safety, National Fuel proactively approved and completed a project to install additional ESD push buttons near the existing fence gates at both the north and south exits of the larger Porterville complex. Therefore, National Fuel does not contest PHMSA's finding and Proposed Compliance Order for Item 1.

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PHMSA Finding: Warning Item

- 2. § 192.745 Valve maintenance: Transmission lines.
- (a) Each transmission line valve that might be required during any emergency musty be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

PHMSA alleges that National Fuel failed to inspect and partially operate a transmission line valve that might be required during an emergency at intervals not to exceed 15 months, but at least once per calendar year as required by §192.745(a). Specifically, National Fuel inspected Valve BNEO 727 A, a transmission line valve that might be required during an emergency, on May 16, 2017 and not again until August 29, 2018, exceeding the 15-month maximum inspection interval by approximately two weeks.

Operator Response to Warning Item

Although Valve BNEO 727 A was inspected each calendar year, National Fuel understands the requirement that inspections must occur within intervals not exceeding 15 months. National Fuel strives to comply with all of PHMSA's regulations, and since 2018, National Fuel has updated and enhanced its software that tracks and provides internal reminders of upcoming interval testing. National Fuel's tracking software has always contained important facility information but previously had a more manual component to it. In recent years, National Fuel's tracking software has become more automated and is still being updated to include additional new features going forward so that similar monitoring findings do not result.

National Fuel appreciates the extension of time granted in order to prepare this response. For the reasons noted above, National Fuel is not contesting this finding. National Fuel is committed to ensuring compliance with PHMSA's regulations and to pipeline safety.

Please direct any questions regarding this submission to me at 716-857-6884.

Respectfully,

Ramon P. Harris, Jr.

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Ramon P. Harris, Jr.

cc: (Via email only)

Ms. Laura P. Berloth, Senior Attorney, National Fuel Gas Supply Corp.